

AGREEMENT BETWEEN THE
UNIVERSITY OF CALIFORNIA, SANTA CRUZ
KRESGE COLLEGE
AND
KRESGE
COMMUNITY NATURAL
FOODS CO-OP

AGREEMENT FOR THE OPERATION OF THE KRESGE COMMUNITY NATURAL FOODS CO-OP

The Regents of the University of California, (hereinafter called "University"), and Kresge Community Natural Foods Co-op (hereinafter called "Co-op"). agree as follows:

The University wishes to provide a low-cost retail food outlet at the University of California, Santa Cruz (hereinafter called "UCSC") Kresge College; and the Co-op wishes to provide a low-cost food outlet to UCSC students, staff, faculty, and guests.

NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. The term of this agreement shall be for the period from 2/26/2001 through 2/25/2004 and may be renewed by mutual written agreement. However, either party may terminate this agreement at any time by giving thirty (30) days advance written notice to the other. (Note: Agreement will ordinarily be renewed annually. The longer period of time in the current contract reflects the lack of renewal last year during a change in College Administrative Officers (hereinafter called "CAO").)
2. The terms, conditions, rate, and provisions of this agreement may be amended only by mutual written consent of the parties.
3. This agreement and the rights granted hereunder shall not be assigned by Co-op in whole or in part without the express written consent of University, nor shall Co-op have the right to authorize or permit the operation of the Co-op by third parties without the express written consent of University in advance.
4. University shall:
 - A. Provide the southeast corner of building 7379 (including walk-in cooler, upright freezer, weighing scales, counter, table, and shelves) to Co-op for its use in operating the Co-op.
 - B. Be responsible for maintenance of the facility provided to Co-op, with the exception of those items listed in Paragraph 5. below, which are the responsibility of Co-op.
 - C. If requested in writing by Co-op, furnish the services of University's maintenance staff as required for maintenance of those items listed in Paragraph five below, which are the responsibility of Co-op, at rates customarily charged by the University to its various departments.
5. Co-op shall:
 - A. Be responsible for maintaining, repairing, and cleaning the floor and all furniture and equipment, both attached and freestanding, within the confines of the facility provided by the University.
 - B. Be responsible for cleaning the floors, walls, windows, and doors of the Co-op facility and for keeping the exterior areas free and clear of all refuse, including boxes and cartons. The facility shall be maintained in a manner which complies with campus regulations relating to health, safety, and aesthetic appearance.
 - C. Upon termination of this agreement, be responsible for cleaning the facility and restoring it to its original condition, normal wear and tear excepted.
6. Co-op shall:
 - A. Make payment to University for such services of University's maintenance staff as are provided pursuant to Paragraph 4.c.
 - B. Pay to University the parking fees established by University for each Co-op employees utilizing University parking spaces.
 - C. Pay to University the sum of \$1.00 per year as a rental fee for the facility provided. Said payment shall be in the form of a check payable to "The Regents of the University of California" and shall be delivered to the Kresge College Administrative Officer by the last day of Fall Quarter each year.

7. Co-op shall hold University harmless and indemnify University against any liability in the event any sales or use tax is assessed with respect to sales under this agreement.
8. Co-op shall not manufacture, keep, or sell intoxicating liquors or cigarettes/cigars or other illicit substances upon University premises. Co-Op shall sell only prepared foods produced in commercial kitchens under a valid County Health Permit and will obtain copies of current permits and provide them to the CAO. Foods prepared by UCSC approved caterers are exempt from this requirement.
9. Co-op shall obtain written permission from University before making any substantial alterations to the premises.
10. Co-op shall post and maintain the following hours of operation in the Co-op:

Every quarter of the school year, Fall, Winter and Spring, the Co-op will open the day before classes begin and the last day of operation will be the Wednesday of each finals week.

| | |
|-------------------------|--|
| Fall Quarter - | 9:00 a.m. to 7:00 p.m. weekdays, 11:00 a.m. to 4:00 p.m. Saturdays, and Sundays. |
| Winter Quarter - | 9:00 a.m. to 7:00 p.m. weekdays, 11:00 a.m. to 4:00 p.m. Saturdays, and Sundays |
| Spring Quarter - | 9:00 a.m. to 7:00 p.m. weekdays, 11:00 a.m. to 4:00 p.m. Saturdays, and Sundays |

The Co-op may close for up to three days per quarter for a retreat and/or hirings, and for academic and administrative holidays identified in the "Academic and Administrative Calendar" published by the Office of the Registrar of the University of California at Santa Cruz.

11. All of Co-op personnel, including students and non-students, shall be subject to University regulations, including but not limited to student conduct regulations concerning personal behavior and use of University facilities, and shall be subject to dismissal at the request of University for violations thereof or for conduct inimical or offensive to the interest of the University and its students.

The CAO and two designated core members of the Co-op shall meet jointly to resolve any identified personnel problems with 'non-core' members, that impact the Kresge community. This meeting should occur within two working days of the initial report.

12. All Co-op personnel must fall into one of two categories:

Core Member: must be affiliated with the campus, either as a currently enrolled UCSC student or, a UCSC alumni, or, if not enrolled, must have been enrolled the quarter previous to employment, or have concrete plans to re-enroll after a leave of absence not to exceed one year.

Working Member: students and non-students who work a minimum of one hour a week in the Coop and have an affiliation with the Coop.

13. All Co-op personnel shall be thoroughly informed regarding the entire contract, and copies of this contract will be accessible in the Co-op for reference.
14. Co-op shall provide all equipment and supplies required for operation of the Co-op (except as noted in Paragraph 4, Section A above) and shall be responsible for all costs of operation of the Co-op including, but not limited to, the items set forth below:
 - A. all food costs
 - B. all laundry costs
 - C. appropriate utility costs, not otherwise covered by the University.

D. all salaries, wages, and employee benefits payable to or on behalf of Co-op employees.

All employees, including students, shall be employed by Co-op in its own name, and shall not be considered for any purpose to be employees or agents of the University.

15. Co-op shall provide Worker's Compensation Insurance covering all Co-op employees connected with the operation of the Co-op.
16. Co-op shall provide the University with annual evidence that it carries a policy or policies of insurance against the perils of bodily injury, personal injury, and property damage. Co-op shall maintain such insurance in full force and effect during the term of this agreement, as follows
17.
 1. Commercial General Liability:

| | | |
|----|--|-------------|
| a. | each occurrence | \$1,000,000 |
| b. | products and completed operations aggregate | \$1,000,000 |
| c. | personal and advertising injury | \$1,000,000 |
| d. | general aggregate (bodily injury & property damage) | \$1,000,000 |
| e. | fire legal liability endorsement to the above commercial liability coverage in the amount of \$50,000 per occurrence | |
 2. Business automobile liability:
 - a. Vehicles owned, non-owned and/or hired with a combined single limit of \$1,000,000 per occurrence.
 - b. Co-op members may use the college truck for errands at the discretion of the Facilities Manager.

Within thirty (30) days of this agreement, Co-op shall supply University with a certificate or certificates of insurance acceptable to University. Such certificate shall also specify that coverage indicated will not be cancelled, reduced, or changed until after thirty (30) days' advance written notice to University. Co-op commercial general liability policy shall be endorsed to name the Regents of the University of California, its officers, agents and employees as additional insured, but only with respect to or to the extent of liability arising out of the negligent acts or omissions of Co-op, its officers, agents, employees, and/or any person or persons under the direction or control of Co-op.

If the insurance under Section 1. above is written on a CLAIMS MADE form, coverages shall survive for no less than five years. Coverages shall also provide for a retroactive date of placement prior to or coinciding with the effective date of this agreement. It shall be expressly understood, however, that the limits and coverages required hereunder, as per the terms and conditions of the indemnification agreement, shall in no way limit the liability of Co-op.

In the event Co-op fails to maintain and keep in force general liability insurance with a fire legal liability endorsement thereto, products liability insurance, or Worker's Compensation insurance as herein provided, University shall have the right to cancel and terminate this agreement or suspend operation of the Co-op forthwith and without notice.

Additionally, Co-op shall secure a Commercial Blanket Bond covering all employees of Co-op involved in this agreement in an amount not less than \$10,000, including coverage to protect money as found in a comprehensive crime policy, and also secure property insurance including coverage for theft or provide University with a statement of self-insurance on Co-op equipment located on University premises.

18. Co-op shall defend, indemnify, and hold University, its officers, employees, and agents harmless from and against any and all liability, loss, expense (including reasonable attorney's fees, or claims for injury or damages arising out of the performance of this Agreement but only in proportion to and to the extent such

- liability, loss, expense, attorney's fees, or claims or injury or damages are caused by or result from the negligent or intentional acts or omissions of Co-op, its officers, employees, or agents, or is due to a defective product or contaminated food sold by Co-op.
19. University shall defend, indemnify, and hold University, its officers, employees, and agents harmless from and against any and all liability, loss, expense (including reasonable attorney's fees, or claims for injury or damages arising out of the performance of this Agreement but only in proportion to and to the extent such liability, loss, expense, attorney's fees, or claims or injury or damages are caused by or result from the negligent or intentional acts or omissions of University, its officers, employees, or agents.
 20. Co-op shall take the following steps to maintain communications with the Kresge College community:
 - A. Insure that 25% of the Co-op Collective members are Kresge students living on or off campus.
 - B. Provide recruitment information and employment applications to Community Assistants for the residential community. Hiring preference will be given to qualified on-campus Kresge students.
 - C. Conduct 50% of the Co-op Collective meetings on campus, at Kresge College. Notification of meetings shall be posted in the Co-op and in the mailroom beside Parliament minutes.
 - D. The Co-op will, in the first five(5) weeks of the quarter, host an on campus meeting/event for Kresge students to discuss Co-op policies, operating procedures, and solicit suggestions for operation.
 - E. Produce a quarterly newsletter, which will be completed by the fifth weekend of each quarter, to be distributed by Kresge Community Assistants.
 - F. Provide membership information and discount structure to the Kresge CAO
 - G. Designate a Kresge student, to be the official Co-op liaison with Kresge Parliament. This liaison will also attend the Kresge Parliament meetings. The liaison will meet with the CAO once each quarter to review the contract and operations of the Co-op.
 21. University agrees that Co-op shall have the exclusive right to sell grocery items in the southeast corner of Building 7379, except as permitted by mutual agreement of the parties.
 21. Co-op shall maintain an accurate, complete, and separate set of books and accounts covering the operation of the Food Co-op on the Santa Cruz campus according to generally accepted accounting practices, and shall make its books of account and supporting data and documents available for inspection, reproduction, and audit by University at all reasonable times and shall make provision for retention of said books, data, and documents at a reasonable place and at all reasonable times for a period of at least three(3) years after the fiscal year in question. Co-op shall also submit a yearly income statement and balance sheet to University no later than two weeks after the end of Spring Quarter.
 22. University has the right to have designated representatives, including Environmental Health and Safety Officers and Fire Marshall, review, inspect, and evaluate the operation and conditions of the Food Co-op facilities at any time with respect to safety, sanitation and maintenance of the facilities and equipment, all of which shall be maintained at levels satisfactory to University. Co-op shall assure all costs associated with inspection by Environmental Health and Safety Officers. In the event inspection by University representatives reveals any health or safety hazard, Co-op hereby agrees, at its sole cost and expense, to immediately correct such hazard. Any hazard not corrected within 48 hours or such other period of time as may be acceptable to the University, shall be cause for immediate termination of this agreement.
 23. University has the right to make reasonable regulations from time to time with respect to the operation and conditions of food facilities on campus and Co-op shall comply with such regulations as well as all applicable federal, state and local laws and regulations, including health and sanitation regulations relating to food service personnel and operation of a food retail facility.
 24. In the performance of this agreement:
 - A. Co-op shall not discriminate against any person employed or seeking employment, explicitly or implicitly, because of race, color, religion, gender, sexual preference, sex, or national origin.

- B. Co-op shall take positive action to ensure that all persons employed or seeking employment are treated without regard to race, color, religion, gender, sexual preference, sex, or national origin. Such action shall include, but not be limited to the following: hiring, upgrading, transfer or demotion, testing or placement, recruitment or recruitment advertising, rates of pay or other forms of compensation, overtime or shift assignments, as well as selection for training, including apprenticeship.
 - C. Co-op shall post in conspicuous places for the benefit of all persons employed or seeking employment notices setting forth the provisions of this paragraph.
 - D. Co-op shall permit access by University to Co-op's records of employment, employment advertisements, application forms, and other pertinent data and records as necessary to ascertain compliance with this paragraph.
25. In the event either party fails to carry out or comply with any of the terms or conditions of this agreement, the non-defaulting party reserves the right to demand remedy of any failure or default within ten (10) days. In the event the failure or default is not corrected within the specified period, the non-defaulting party shall have the right to cancel and terminate this agreement without additional notice.
26. Co-op hereby agrees that in no event will University, its officers, agents or employees be liable to Co-op or its employees for any bodily injury, loss of income, or loss of or damage to or spoilage of food or other stock, property, or inventory resulting directly or indirectly from the interruption of any utilities provided by the University to Co-op in connection with this agreement including but not limited to, failure to provide power for refrigeration, heat or light. Co-op hereby further agrees that University, its officers, agents or employees shall not be liable to Co-op or its employees for any loss of income or loss of or damage to the stock or other property of Co-op resulting directly or indirectly from any fire, smoke, water, pollution damage to the premises leased to Co-op, no matter how caused, or for any damage or loss of income to stock or other personal property resulting directly or indirectly from an Act of God. Co-op hereby agrees to defend indemnify and hold University, its officers, agents, and employees harmless from any and all such claims.
27. Any notice provided herein may be served upon University by delivering it in writing addressed to the CAO, Kresge College, University of California Santa Cruz California 95064, or by depositing same, with postage prepaid, in a United States mail box; and any notice provided for herein may be served upon Co-op, Box 600, Kresge College, University of California Santa Cruz Santa Cruz, California 95064; or notice may be served by either party by delivering or mailing it to any other place or places designated in writing by University or Co-op.
28. This agreement contains and sets forth the entire agreement and understanding of the parties and supersedes all prior written or oral agreements, if any, relating to the subject matter hereof. No oral waiver of any term of this agreement shall be effective for any purpose. This Agreement may be modified only by a further writing signed by both parties.

COLLEGE

By _____
College Administrative Officer

Date: _____

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

By _____

Date _____

CO-OP

By _____
Treasurer

Date _____

ATTACHMENT A

SUMMARY OF RESPONSIBILITIES

This sheet provides a ready reference to the obligations under this Agreement. The list may not be complete.

Co-op (Contractor)**COSTS**

1. Food
2. Labor
3. Social Security Taxes
4. Unemployment Insurance
5. Worker's Compensation Insurance
6. Products and Public Liability Insurance
7. Kitchen Supplies
8. Janitorial Services and Supplies
9. Paper Supplies

10. Office Supplies
11. Calculators, typewriters, computers and cash registers
12. Parking Permits
13. China and Silver Inventory, as needed.
14. Telephone Equipment and Costs
15. Day-to-day cleaning of interior and exterior windows and interior walls; cleaning and waxing of floors
16. Laundry and Dry Cleaning
17. Needed Supplemental Equipment
18. Equipment listed in Attachment B&C
19. Pest Control
20. Cost of Environmental Health and Safety Inspections
21. Rent Payment of \$1.00 by the last day of Fall Quarter each year.
22. Appoint liaisons with CAO and Parliament

DOCUMENTATION

1. Annual submission of proof of insurance status
2. Annual submission of current 'non-profit' status (Contract Question...is this an annual requirement?)
3. Annual submission of income and balance sheet by April 10th..
4. Quarterly submission of list of employees and Co-op members, demonstrating that 25% are Kresge students living on or off campus

University

1. Preventive maintenance
2. Major periodic cleaning for preventive maintenance
3. Costs of campus recycling program
4. Costs of utilities, excluding telephone and other communication and technology costs
5. Administrative Recharges

ATTACHMENT B

EQUIPMENT OWNED BY UNIVERISTY

Walk-In Cooler
 Upright Freezer
 Weighing Scales
 Counter
 Table
 Shelves

ATTACHMENT C
EQUIPMENT OWNED BY THE CO-OP

Display Case Refrigerator
Safe
Cash Register
Computer (1)

ATTACHMENT D
EQUIPMENT LEASED BY THE CO-OP

ATTACHMENT 1

University of California, Santa Cruz Flexi Card Program Terms and Conditions

Definition & General Background

Flexi Dollars are a dollar-for-dollar exchange for "Food Dollars" that work just like cash for the ease of our campus community. Flexi-dollars are included in student meal plans or can be purchased alone. Students purchase Flexi Dollars online and these dollars are loaded onto their student ID card. Faculty and staff purchase Flexi Dollars at the Campus Housing Office (104 Hahn Student Services Building).

Flexi dollars are accepted at all dining halls, UC Santa Cruz Dining retail locations, college coffee shops, and many of the vendor-operated cafes.

Unused Flexi Dollars automatically roll over to the next academic year. After two years of inactivity on a Flexi Dollars account, any remaining unused Flexi Dollars are forfeited and become the property of the University. Flexi Dollar refunds are available for balances over \$10 at the end of the academic year only.

Equipment Provision and Maintenance

1. At Contractor's request, University will provide one or more CBORD card reader(s) for use by Contractor in accepting/processing Flexi Dollars.
2. The card reader(s) will remain the sole property of the University.
3. Contractor shall take reasonable measures to protect card reader(s) from pilferage or destruction.
4. The University shall repair or replace worn, damaged or malfunctioning card readers, except where wear, damage or malfunction is caused by negligence or willful misconduct of the Contractor, its agents or employees, in which event, the University shall, at its option, request the Contractor make and pay for the necessary repairs or replacement.
5. Contractor shall pay the cost to repair or replace all card readers damaged by the negligence or misconduct of Contractor, and shall not charge such costs back to the University.

Taxes

Contractor shall be solely responsible for, and shall pay as its sole expense, all taxes, including but not limited to state and federal sales tax, lawfully assessed in connection with or arising out of this Agreement.

[PAGE 2 FOLLOWS]

Flexi Dollar
Sales
Reimbursement
& Equipment/
Maintenance
Fees

Contractor will adhere to the following procedure for obtaining reimbursement of Flexi Dollar sales:

1. Contractor shall receive weekly reports from University CBORD system, stating daily Flexi Dollar sales at Contractor's location for the prior week.
2. Contractor shall attach matching invoice to each CBORD report, requesting reimbursement of Flexi Dollar sales as listed on invoice.
3. Contractor shall then mail invoice and CBORD report for reimbursement to:

University Housing Services
University of California, Santa Cruz
1156 High Street
Santa Cruz, CA 95064

4. Reimbursement will equal total Flexi Dollar sales for invoice period, less two (2.0) percent Flexi Dollar administration fee. The administration fee payable by Contractor shall increase .5% each year (effective July 1).
5. Contractor will pay an annual equipment and maintenance fee of \$426 per card reader terminal.
6. Contractor and University shall determine appropriate invoicing schedule as necessary and as mutually agreeable to both parties.

University
Contacts

For General Questions Regarding Flexi Card Program Administration
Scott Berlin
Director, Dining and Hospitality Services
459-5784
sberlin@ucsc.edu

For Equipment Set Up, Maintenance and Training:
Laurie Carnahan
Information Technology Services
459-5510
lcarn@ucsc.edu

For Flexi Dollar Reporting:
Nathan Jeffers
UC Santa Cruz Dining Services
459-1796
njeffers@ucsc.edu

For Flexi Dollar Payments or Maintenance Fee Charges
Carolyn Speers
University Housing Services
466-1859
speers@ucsc.edu